

Publications Data: 2014 Disability Policy Panel: Continuing Disability Reviews, December 2014

Social Security Advisory Board



Chart 1: Ultimate Cessation Rates by Medical Improvement Category

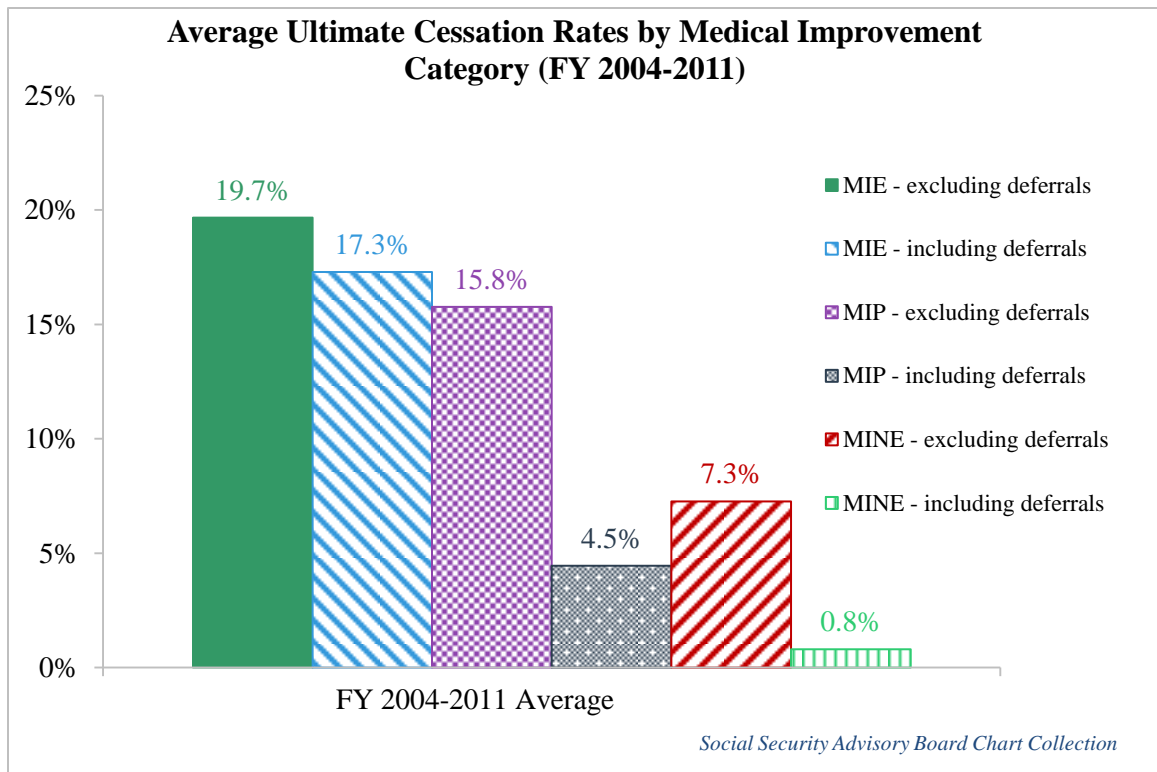


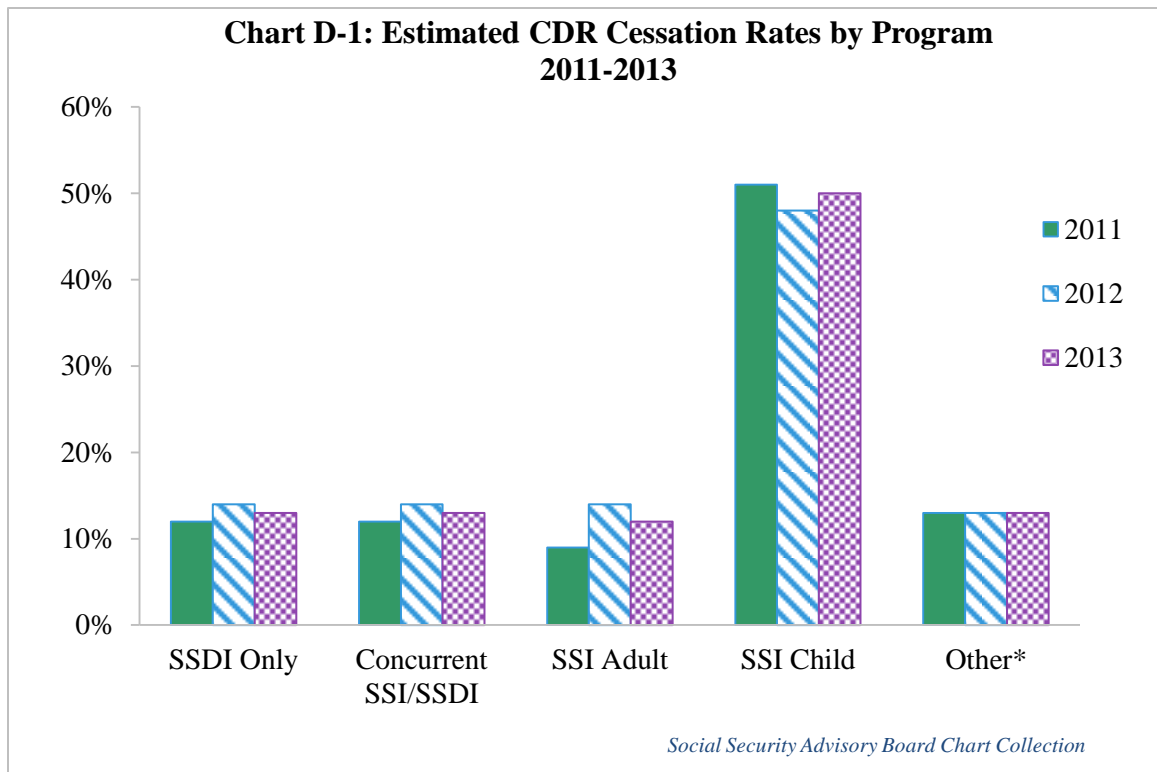
Chart 1 presents average ultimate cessation rates from fiscal year 2004 through 2011 broken out by the three Medical CDR Diary categories: Medical Improvement Expected (MIE), Medical Improvement Possible (MIP), and Medical Improvement Not Expected (MINE). For comparison purposes, the graph also expresses this rate with CDR Mailer deferrals included and excluded. A deferral implies that a review of the beneficiary's answers on a mailed questionnaire did not give any indication of medical improvement that could result in work, so a full medical review was deferred for a specified time period.

The cessation rates based on full medical CDRs are consistent with the three classifications; that is, cessation rates are highest among MIE cases and lowest among MINE cases, with MIP cases falling in the middle range. When deferrals based on mailers are included, the pattern is even more pronounced. The similarity of the ultimate cessation rates with and without deferrals of the MIE category illustrates that this diary categorization alone is a sufficient predictor of the probability of cessation. The much larger differences in ultimate cessation rates for the MIP and MINE diaries demonstrates the effectiveness of the profiling system. The panel finds convincing evidence of the power of the profiling system for prioritizing cases for CDRs when funding is insufficient for reviewing all cases that are due for review.

Sources:

Unpublished data provided by SSA.

Chart 2a: Estimated CDR Cessation Rates

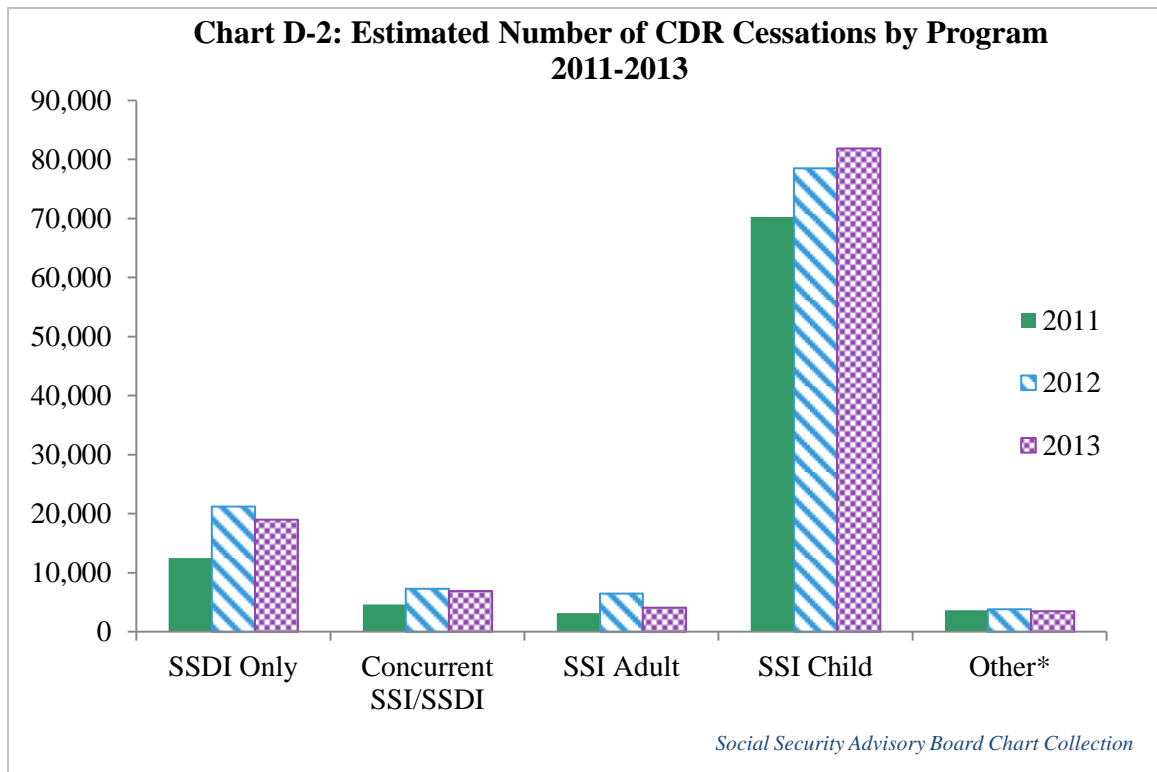


There are two potential outcomes of a medical CDR – either the beneficiary is determined to continue to be eligible for benefits (“continuation”) or he/she is terminated for a determination of medical improvement resulting in an ability to work more than a minimum amount (“cessation”). As Charts 2a and 2b show, benefit cessations are highest for children receiving SSI, both in terms of the total number of cessations and relative to other categories. It is important to note that the SSI child category includes low birth weight CDRs and age-18 redeterminations, both of which are mandated by statute and are therefore prioritized. The “other” category includes CDRs initiated for reasons other than the maturing of a CDR (such as beneficiaries voluntarily reporting they may no longer be disabled) or CDRs closed administratively (for example, when a beneficiary dies before the CDR is completed).

Sources:

2011 & 2012 data: FY 2011 & FY 2012 Annual Report on Continuing Disability Reviews; 2013 data: unpublished data provided by SSA.

Chart 2b: Estimated Number of CDR Cessations



There are two potential outcomes of a medical CDR – either the beneficiary is determined to continue to be eligible for benefits (“continuation”) or he/she is terminated for a determination of medical improvement resulting in an ability to work more than a minimum amount (“cessation”). As Charts 2a and 2b show, benefit cessations are highest for children receiving SSI, both in terms of the total number of cessations and relative to other categories. It is important to note that the SSI child category includes low birth weight CDRs and age-18 redeterminations, both of which are mandated by statute and are therefore prioritized. The “other” category includes CDRs initiated for reasons other than the maturing of a CDR (such as beneficiaries voluntarily reporting they may no longer be disabled) or CDRs closed administratively (for example, when a beneficiary dies before the CDR is completed).

Sources:

2011 & 2012 data: FY 2011 & FY 2012 Annual Report on Continuing Disability Reviews; 2013 data: unpublished data provided by SSA.

Chart 3: Estimated Number of CDR Cessations

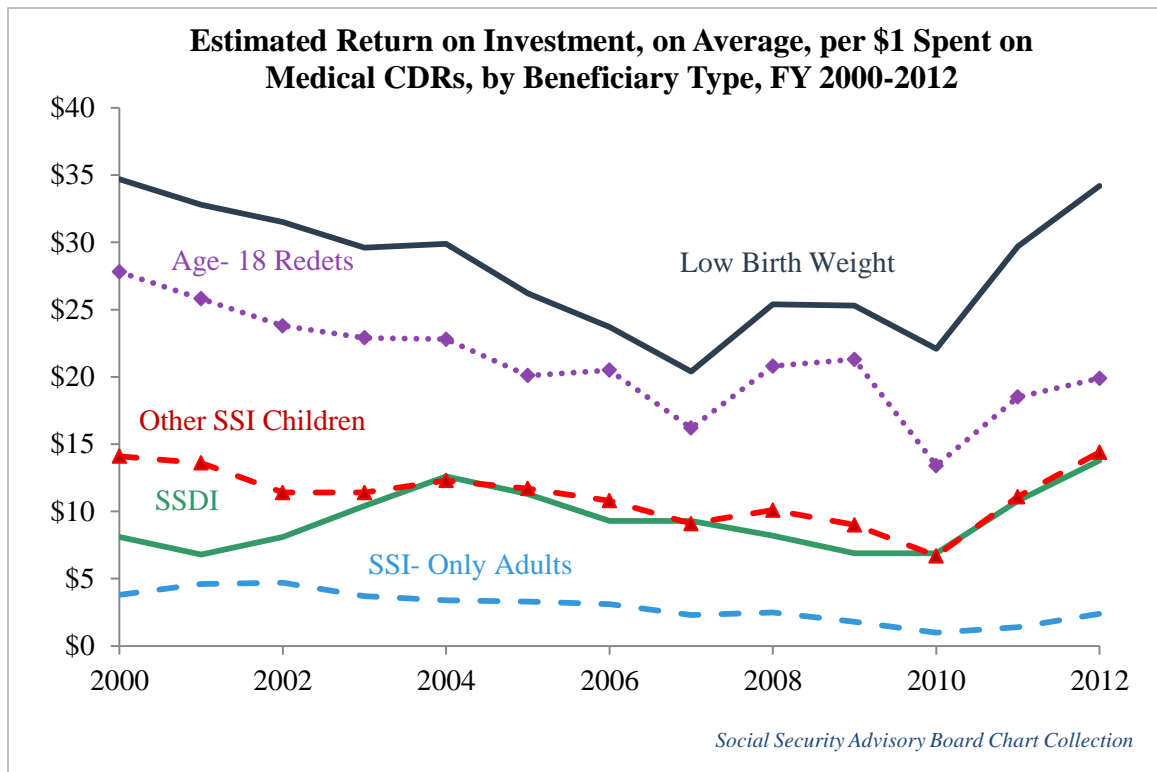


Chart 3 shows estimated returns on investment (ROI) by type of beneficiary from 2000 to 2012. The green line represents SSDI beneficiaries, while all other lines represent SSI beneficiaries. While the majority of CDRs do not result in cessation, SSA's medical CDR process has historically yielded a favorable ratio of savings-to-costs. Low-birth weight reviews and Age-18 redeterminations are typically associated with the highest ROI : roughly \$34:1 and \$20:1 in 2012, respectively. This is unsurprising since these two types of reviews are statutorily mandated and are therefore prioritized by SSA.

Source:

Unpublished data provided by SSA, Office of the Chief Actuary.